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526 S. Church St.
Charlotte, N. C. 28202

Janice Hager, Vice President

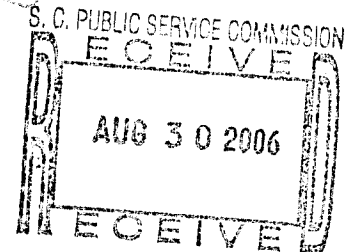
Duke Energy Carolinas
EC12K / P.O. Box 1006
Charlotte, N. C. 28201-1006

704 382-6963

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8/31/06
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August 29, 2006

2006-268-E



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PSC SC
DOCKETING DEPT.

The Honorable Charles Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

Dear Mr. Terreni:

Enclosed is the quarterly report of Duke Power, a division of Duke Energy Corporation, for the twelve months ending June 30, 2006. Please feel free to call me at (704) 382-6963 or Veronica Williams at (704) 382-8071.

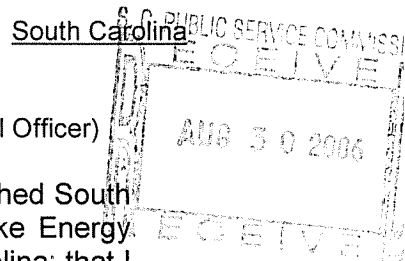
Sincerely,

Janice D. Hager
Rates & Regulatory Affairs

Enclosure

JDH/jr

cc: Mr. Dukes Scott
Executive Director
Office of Regulatory Staff



CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

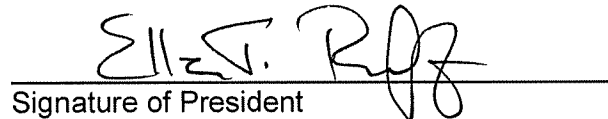
I, Myron L. Caldwell, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Power LLC d/b/a Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.


Signature of Chief Financial Officer

Myron L. Caldwell
Typed or Printed Name of Person Signing

SVP and CFO, Franchised Electric & Gas
Title

August 28, 2006
Date Signed

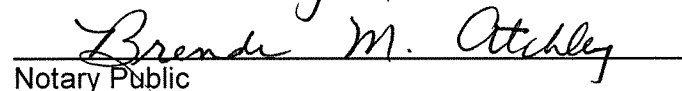

Signature of President

Ellen T. Ruff
Typed or Printed Name of Person Signing

President, Duke Energy Carolinas
Title

August 28, 2006
Date Signed

Subscribed and sworn to before me this 28th day of August, 2006.


Notary Public

My Commission Expires: December 4, 2009

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs. (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric operating revenue	\$5,435,833		\$1,247,008	\$6,530	\$1,253,538
	Electric operating expenses:					
	Operation and maintenance:					
2	Fuel used in electric generation	1,270,693		302,162	(246)	301,916
3	Purchased power and net interchange	57,245		(430)	(16)	(446)
4	Wages, benefits, materials, etc.	1,547,257		404,447	(785)	403,662
5	Depreciation and amortization	917,151		159,507	12,867	172,374
6	General taxes	308,356		65,554	2,581	68,135
7	Interest on customer deposits	3,488		429	0	429
8	Income taxes	386,653		89,817	2,392	92,209
9	Amortization of investment tax credit	(9,405)		(2,351)	7	(2,344)
10	Total electric operating expenses	4,481,438		1,019,135	16,800	1,035,935
11	Operating income	\$954,395		227,873	(10,270)	217,603
12	Add: Customer growth adjustment				1,936	1,936
13	Income for return			\$227,873	(\$8,334)	\$219,539
14	Original cost rate base (b)			\$2,525,288	\$147,231	\$2,672,519
15	Rate of return on South Carolina retail rate base			9.02%		8.21%

Notes: (a) From Page 3, "Total adjustments" line

(b) From Page 4, Line 11

Line No.	Description	South Carolina Retail				Pro forma			
		Total Company Capitalization June 30, 2006		Per Book Embedded Cost/ Return %		Embedded Cost/ Return %		Embedded Cost/ Return %	
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Operating Income (Col. 4)	Retail Rate Base (Col. 5)	Operating Income (Col. 6)	Retail Rate Base (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	\$3,854,810	38.30%	\$967,185	5.83%	\$56,387	\$1,023,575	5.83%	\$59,674
2	Preferred stock	0	0.00%	0	0.00%	0	0	0.00%	0
3	Common equity	\$6,209,969	61.70%	1,558,103	11.01%	171,486	1,648,944	9.69%	159,865
4	Total	\$10,064,779	100.00%	\$2,525,288 (a)		\$227,873 (b)	\$2,672,519 (c)	(e) (f)	\$219,539 (d)

Notes:

(a) From Page 4, Line 11, Column 2.

(b) From Page 1, Line 13, Column 2.

(c) From Page 4, Line 11, Column 4.

(d) From Page 1, Line 13, Column 4.

(e) If adjusted for weather, this rate would be 9.35%.

(f) Excludes pre-tax non-firm wholesale sales profits for the total system of approximately \$151 million for the 12 mos ended 06/30/06.
A net of tax South Carolina Retail allocation of profits would amount to approximately \$24 million.

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To annualize depreciation on year-end plant using new (1/1/05) depreciation rates					\$5,052			(\$1,978)		(\$3,074)
2	To annualize wage rate increases				\$2,931		\$218		(1,233)		(1,916)
3	To annualize property taxes on year end plant						1,524		(597)		(927)
4	To reflect CWIP closings to plant					8,270	1,094		(3,666)		(5,698)
5	To adjust income taxes to reflect interest synchronization								5,465		(5,465)
6	To reflect elimination of write-off of unbilled fuel in per books	\$5,052							1,978		3,074
7	To reflect elimination of temporary rate decrement for industrial customers in per books	2,851							1,116		1,735
8	To exclude Greenwood operations	(1,373)	(\$246)	(\$16)	(3,716)	(455)	(255)	\$0	1,307	\$7	2,001
9	Total adjustments	\$6,530	(\$246)	(\$16)	(\$785)	\$12,867	\$2,581	\$0	\$2,392	\$7	(\$10,270)

Line No.	Description	Total Company Per Books (Col 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col 2)	Accounting Adjustments (Col 3)	As Adjusted (Col 4)
1	Electric plant in service	\$20,397,980		\$5,149,248	\$165,864	\$5,315,112
2	Less: Accumulated depreciation and amortization	(9,012,515)		(2,300,373)	(13,322)	(2,313,695)
3	Net electric plant	11,385,465		2,848,875	152,542	3,001,417
4	Add: Materials and supplies	497,540		130,740	(1,185)	129,555
5	Working capital investment	513,057		126,362	0	126,362
6	Plant held for future use	3,005	31 6962%	952	0	952
7	Less: Accumulated deferred taxes	(1,665,900)	25 3022%	(421,509)	0	(421,509)
8	Operating reserves	(676,395)		(147,666)	0	(147,666)
9	Customer deposits	(51,606)		(12,466)	0	(12,466)
10	Greenwood				(4,126)	(4,126)
11	Total original cost rate base	<u>\$10,005,166</u>		<u>\$2,525,288</u>	<u>\$147,231</u>	<u>\$2,672,519</u>

Line No.	Description	Total Company Per Books (Col 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col 2)	Accounting Adjustments (Col 3)	As Adjusted (Col 4)
1	Production	\$9,891,456	25.1104%	\$2,483,784	\$110,788	\$2,594,572
2	Transmission	1,959,513	19.4079%	380,300	9,582	389,882
3	Distribution (b)	6,875,896	26.7751%	1,841,028	23,745	1,864,773
4	General	592,545	25.2070%	149,363	6,588	155,951
5	Intangible	<u>214,829</u>	24.9262%	<u>53,549</u>	<u>15,161</u>	<u>68,710</u>
6	Subtotal	19,534,239		4,908,024	165,864	5,073,888
7	Nuclear fuel	<u>863,741</u>	27.9278%	<u>241,224</u>		<u>241,224</u>
8	Total electric plant in service	<u>\$20,397,980 (a)</u>		<u>\$5,149,248</u>	<u>\$165,864</u>	<u>\$5,315,112</u>

Notes: (a) Excludes electric plant held for future use of \$3,005
and electric plant acquisition adjustment of \$284

(b) The accounting adjustment in Col. 3 represents
non-growth related additions to distribution plant.

Line No.	Description	Total Company Per Books (Col 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col 2)	Accounting Adjustments (Col 3)	As Adjusted (Col 4)
1	Production	\$4,332,591	25.2481%	\$1,093,897	\$7,011	\$1,100,908
2	Transmission	945,256	19.3299%	182,717	520	183,237
3	Distribution	2,851,194		783,835	1,752	785,587
4	General	55,257	25.1298%	13,886	1,007	14,893
5	Intangible	183,627	25.0606%	46,018	3,032	49,050
6	Subtotal	8,367,925		2,120,353	13,322	2,133,675
7	Nuclear fuel	644,590	27.9278%	180,020		180,020
8	Total accum depreciation and amortization	\$9,012,515 (a)		\$2,300,373	\$13,322	\$2,313,695

The annual composite rates for computing depreciation (straight-line method) are shown below

9	Steam production plant	4.20%
10	Nuclear production plant (excluding nuclear decommissioning)	1.97%
11	Hydro production plant	2.74%
12	Combustion turbines	3.09%
	Transmission plant:	
13	Right-of-way	1.41%
14	Other	2.81%
15	Distribution plant	3.11%
16	General plant	2.38% - 11.88%
17	Intangible plant	20.00%

Note: (a) Excludes amortization of electric plant acquisition adjustment of

\$145

Duke Power Company LLC d/b/a Duke Energy Carolinas, LLC
MATERIALS AND SUPPLIES
SC Quarterly for June 30, 2006
(Thousands of Dollars)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
	Fuel stock:				(a) & (b)	
1	Coal	\$168,625	27.9278%	\$47,093	(\$1,448)	\$45,645
2	Oil	24,160	27.9278%	6,747	263	7,010
3	Total fuel stock	192,785		53,840	(1,185)	52,655
4	Other electric materials and supplies and stores clearing	304,755	25.2334%	76,900	0	76,900
5	Total materials and supplies	<u>\$497,540</u>		<u>\$130,740</u>	<u>(\$1,185)</u>	<u>\$129,555</u>

Notes: (a) Adjustment to per book coal inventory balance
to reflect target inventory level

Coal inventory target level (in tons)	2,530,000					
Price per ton - coal	<u>\$64.60</u>					
Total company pro forma inventory	<u>\$163,438</u>	27.9278%			\$45,645	
Per book coal inventory					<u>47,093</u>	
Coal adjustment					<u>(\$1,448)</u>	

(b) Adjustment to per book oil inventory balance
to reflect target inventory level.

Oil inventory target level (in gallons)	19,922,000					
Price per gallon - oil	<u>\$1.26</u>					
Total company pro forma inventory	<u>\$25,102</u>	27.9278%			\$7,010	
Per book oil inventory					<u>6,747</u>	
Oil adjustment					<u>\$263</u>	

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve months operating and maintenance expenses, exclusive of purchased power and nuclear fuel expense	<u>\$2,687,167</u>		<u>\$670,273</u>		<u>\$670,273</u>
2	1/8 of O&M expenses on line 1	\$335,896		\$83,784		\$83,784
3	Less: Average taxes accrued	<u>(179,399)</u>		<u>(40,186)</u>		<u>(40,186)</u>
4	Subtotal	156,497		43,598	\$0	43,598
5	Required bank balances	58,406	25.3022%	14,778		14,778
6	Bond reacquisition premiums	106,620		19,700		19,700
7	Prepayments	191,534	25.2104%	48,286		48,286
8	Total working capital investment	<u>\$513,057</u>		<u>\$126,362</u>	<u>\$0</u>	<u>\$126,362</u>

Line No.	Description	Total Company Per Books (Col 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col 2)	Accounting Adjustments (Col 3)	As Adjusted (Col 4)
1	Production	\$346,168	25.0030%	\$86,552	\$0	\$86,552
2	Transmission	41,765	19.4079%	8,106	0	8,106
3	Distribution	110,468	26.7751%	29,578	0	29,578
4	General	5,013	25.2070%	1,264	0	1,264
5	Intangible	94,482	24.9262%	23,551	0	23,551
6	Total construction work in progress	<u>\$597,896</u>		<u>\$149,051</u>	<u>\$0</u>	<u>\$149,051</u>

Line No.	Description	
	12 Months Ended June 30, 2006	
1	SEC Fixed Charges Coverage	4.5
2	Earnings per Share	\$1.35

Line No.	Item	Total Company	Wholesale Jurisdiction	% of Total	N.C. Retail	% of Total	S.C. Retail	% of Total
1	Operating Revenues (\$000s)							
2	Residential	\$1,952,847			\$1,507,790	77.2098%	\$445,057	22.7902%
3	Commercial	\$1,575,925			\$1,238,948	78.6172%	\$336,977	21.3828%
4	Industrial	\$1,111,453			\$705,533	63.4784%	\$405,920	36.5216%
5	Public Street & Hghwy Lighting	\$29,915			\$25,540	85.3747%	\$4,375	14.6253%
6	Interdepartmental	(\$0)			(\$0)	100.0000%	\$0	0.0000%
7	Sales for Resale:							
8	Special Contract	\$448,952	\$418,438	93.2032%	\$22,476	5.0062%	\$8,039	1.7906%
9	Other	\$61,329	\$61,329	100.0000%				
10	Total Rev from Sales of Electr	\$5,180,421	\$479,767	9.2612%	\$3,500,287	67.5676%	\$1,200,368	23.1712%
11	Kilowatthour Sales (000s)							
12	Residential	25,377,584			19,266,514	75.9194%	6,111,071	24.0806%
13	Commercial	25,408,471			19,973,500	78.6096%	5,434,971	21.3904%
14	Industrial	25,105,477			14,836,504	59.0967%	10,268,973	40.9033%
15	Public Street & Hghwy Lighting	266,132			224,692	84.4288%	41,440	15.5712%
16	Interdepartmental	(0)			(0)	100.0000%	0	0.0000%
17	Sales for Resale:							
18	Special Contract	6,137,691	5,720,523	93.2032%	307,267	5.0062%	109,900	1.7906%
19	Other	1,544,382	1,544,382	100.0000%				
20	Total KWH Sales	83,839,737	7,264,906	8.6652%	54,608,476	65.1344%	21,966,355	26.2004%
21	Revenue Per KWH Sold (Cents)							
22	Residential	7.70			7.83		7.28	
23	Commercial	6.20			6.20		6.20	
24	Industrial	4.43			4.76		3.95	
25	Public Street & Hghwy Lighting	11.24			11.37		10.56	
26	Interdepartmental	9.17			9.17		0.00	
27	Sales for Resale:							
28	Special Contract	7.31	7.31		7.31		7.31	
29	Other	3.97	3.97					
30	Total Revenue per KWH Sold	6.18	6.60		6.41		5.46	